Q4 2025

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Self Storage Supply Forecast Notes

For the Q4 2025 update, the Yardi Matrix Self Storage Supply Forecast has been increased by approximately 4.5% for 2025 and 2026. The remaining years' forecast remains unchanged.

Self Storage New Supply Forecast Q4 2025 vs. Q3 2025

Year	Q4 2025	Q3 2025	% Chg
2025	59,441,341	56,995,164	4.3%
2026	48,231,759	46,118,487	4.6%
2027	42,007,384	42,048,229	-0.1%
2028	33,043,195	33,001,246	0.1%
2029	33,046,288	33,077,737	-0.1%
2030	35,205,619	35,166,801	0.1%

Source: Yardi Matrix

Near-Term Forecast: 2025 Through 2027

Q3 2025 Matrix development pipeline data continues to indicate a deceleration in new self storage construction. However, at the end of Q3, the under-construction pipeline contained a larger-than-expected inventory. Therefore, the Q4 self storage supply forecast update has increased forecast completions by 4.3% for 2025 and 4.6% for 2026, while 2027 is unchanged.

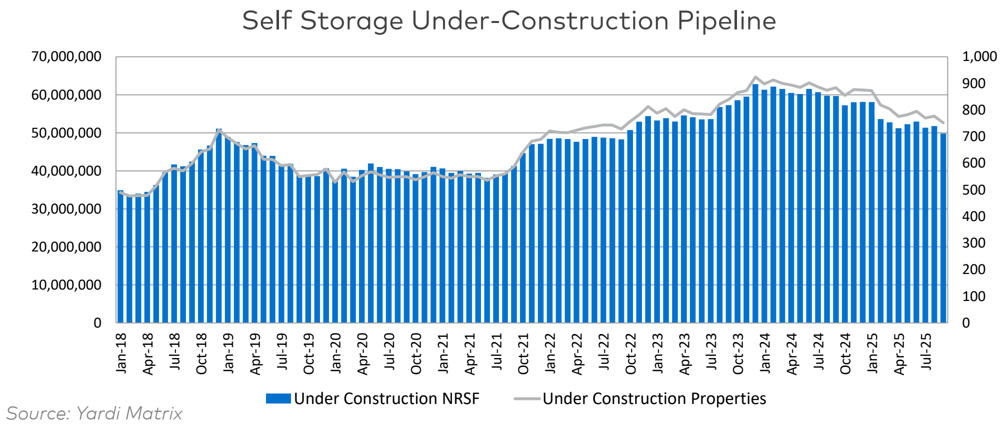
The overall shape of the forecast remains unchanged and continues to show a decline in new self storage supply through 2027 and beyond. Construction starts have declined markedly from the 2023 peak, with 2025 year-to-date construction starts lagging behind 2024's pace. This will continue to drive declines in the under-construction pipeline, which has to date declined 21% from the peak.

In September, national advertised rates tracked by Yardi Matrix increased on a year-over-year basis for the first time in three years. A return to sustained advertised rate growth would certainly help new development prospects. However, the relatively large amounts of new supply delivered in 2023 and 2024 will continue to limit rental rate growth over the near term.

Should the combination of advertised rental rate growth and easing monetary policy drive a pickup in Q4 2025 construction starts, subsequent forecasts will be revised higher.

Under-Construction Pipeline

For self storage markets that have been covered by Matrix for at least 24 months, the under-construction pipeline declined by 6.2% on a quarterly basis to 49.79 million NRSF. This represents 95.6% of the 51.76 million NRSF contained in the under-construction pipeline for all Matrix self storage markets. On an annual basis, the under-construction pipeline has declined 17.3%. Most of this inventory should be completed by the end of 2026.

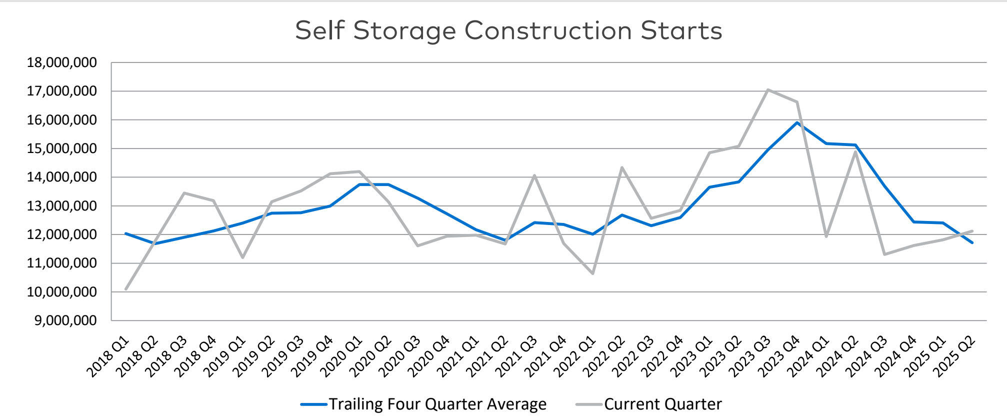


Source: Yardi Matrix

Construction Starts

For markets covered by Matrix for at least 24 months, construction starts increased by 2.6% quarter-over-quarter to 12.12 million NRSF. Construction starts have increased on a quarterly basis for three consecutive quarters but are still well below the peak of 17.05 million NRSF recorded in Q3 2023.

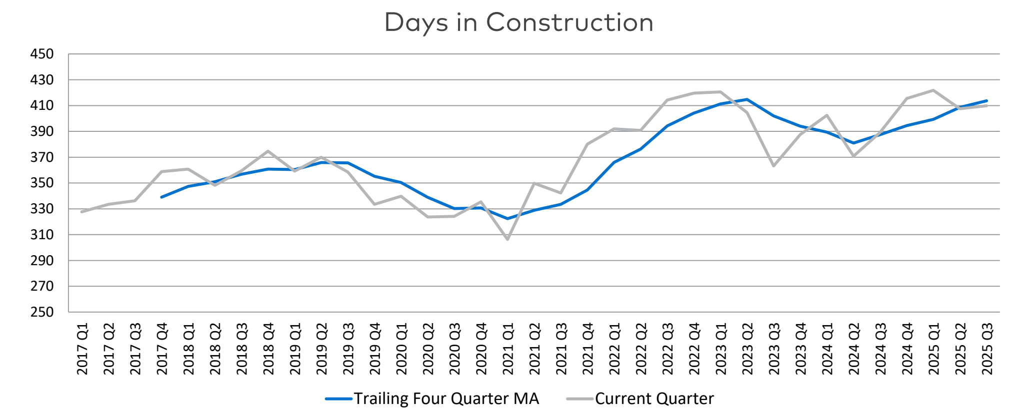
Through the end of September 2025, the Matrix research team had identified 31.54 million NRSF in new-construction starts, 7.8% below the level recorded over the same period in 2024. For all markets tracked by Matrix, 2024 construction starts totaled 52.21 million NRSF, declining 19.6% from 2023's 64.96 million NRSF.



Source: Yardi Matrix. Chart data reflects self storage markets covered on or before July 2023.

Days in Construction

Properties completed in Q3 averaged 410 days in construction. This is a marginal increase over the 408 days observed for Q2. National self storage completion times have averaged roughly 400 days in construction since Q4 2023.



Source: Yardi Matrix

Long-Term Forecast: 2028 Through 2030

New supply delivered in 2023 and 2024 has been slow to absorb, with depressed rate growth. Prior to September, national advertised rates had declined on a year-over-year basis for three years. Publicly traded self storage REITs have also reported negative net operating income growth from Q4 2023 through Q2 2025.

Weak operating results have translated into a noticeable decline in longer-term development interest. On a year-over-year basis, the planned pipeline has declined by 10% while the prospective pipeline has declined by 18.8% and the deferred pipeline has grown by 33.3%. The monthly number of projects categorized as abandoned is currently averaging 52. In mid-2022, the average stood at seven projects per month.

Since the great financial crisis, the self storage industry has experienced significant growth, and it is now a mature asset class. Absent new demand drivers, national self storage supply growth in excess of 2.0% of stock likely exceeds long-term demand growth and leads to localized flat or negative rate growth. The Q4 forecast update therefore continues to model a decline in longer-term new self storage supply to roughly 1.5% of stock in the later years of the forecast.

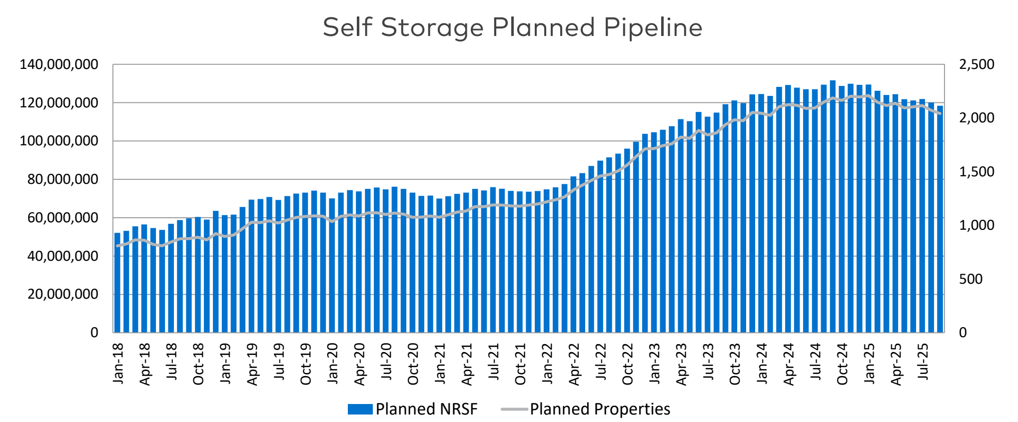
On the other hand, if September's positive advertised rental rate growth turns into a durable trend that combines with easier monetary policy to drive a rebound in construction starts, our thesis for longer-term self storage new supply will need to be revisited.

Planned

At the close of Q3, the planned pipeline contained 118.37 million NRSF for markets that have been covered by Matrix for at least 24 months. This represents 98.1% of the total planned NRSF contained in all markets currently covered by Matrix.

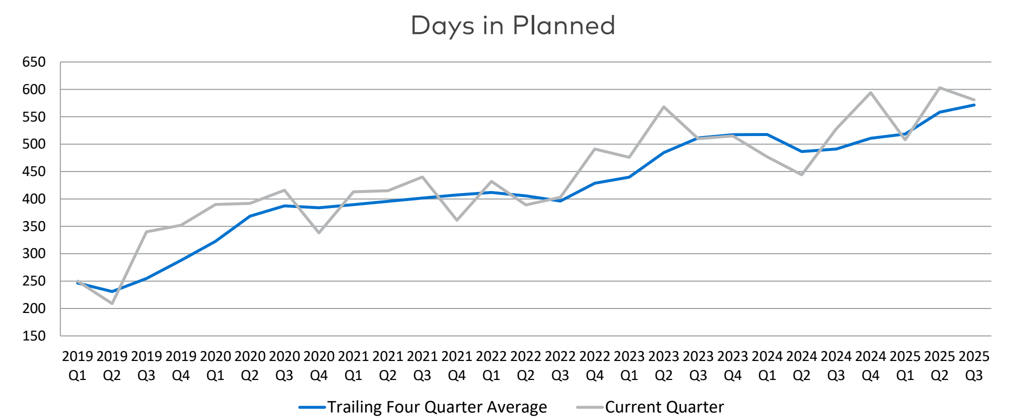
On a quarterly basis, the planned pipeline declined by 2.3%, while on a year-over-year basis it declined by 10.3%. The planned pipeline peaked in September 2024 at 131.65 million NRSF.

The current planned pipeline is approximately 2.4 times as large as the under-construction pipeline. Prior to 2024, the ratio held below 2.0. The planned pipeline has decreased at a slower rate than the under-construction pipeline over the past 18 months, as projects spend an increasing amount of time in planned status.



Source: Yardi Matrix. Chart data reflects self storage markets covered on or before July 2023.

Self storage projects starting construction in Q3 spent an average of 581 days (19.4 months) in planned status, a slight decrease from the level recorded in Q2. Days in planned, however, has been trending upwards over the past 18 months, with the trailing four-quarter average now sitting at 571 days (19.0 months). The increase in days planned observed in 2022 was most likely driven by labor and material scarcity as the development cycle ramped up. The current increase in days in planned is most likely driven by the weaker operating environment forcing projects to delay breaking ground.

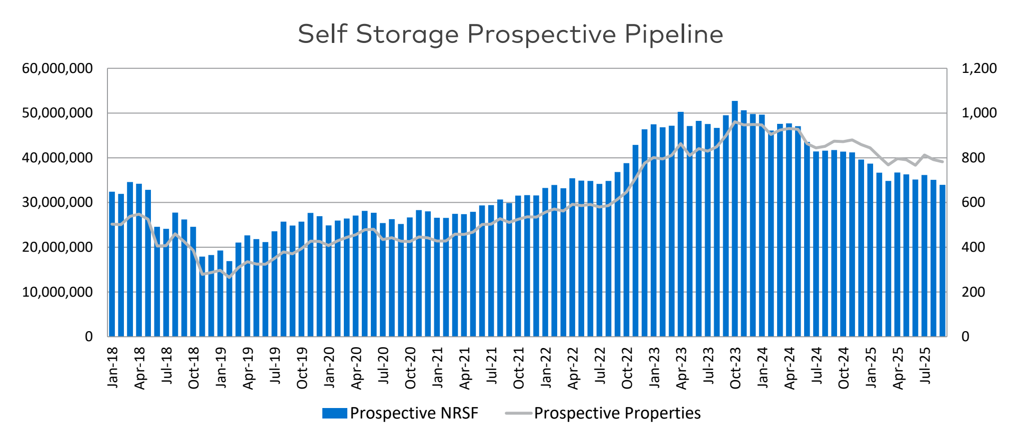


Source: Yardi Matrix

Prospective

For markets covered by Matrix for at least 24 months, the prospective pipeline contained 33.96 million NRSF at the end of Q3. This represents a 3.3% decline quarter-over-quarter and 18.8% year-over-year. For all markets covered by Matrix, the prospective pipeline contains 34.59 million NRSF.

The prospective pipeline peaked in October 2023 at 52.72 million NRSF and has since declined by 35.6%. The continued contraction in the prospective pipeline indicates that longer-term self storage development interest has not yet bottomed.

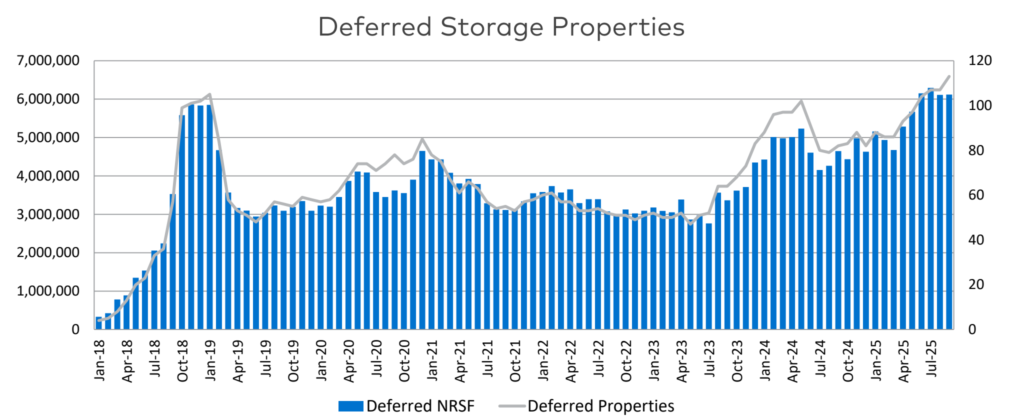


Source: Yardi Matrix. Chart data reflects self storage markets covered on or before July 2023.

Deferred

After noticeably increasing in Q2, the deferred pipeline was essentially flat in Q3 2025. At quarter's end, 6.12 million NRSF were in a deferred status, a 0.5% decline quarter-over-quarter and a 33.3% increase year-over-year.

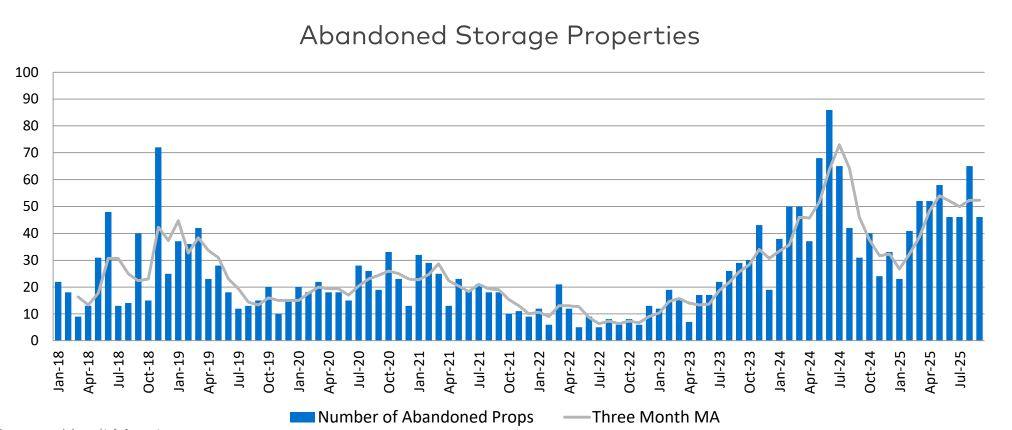
The deferred pipeline bottomed in July 2023 at 2.77 million NRSF and has since increased by 121%. The continued large size of the deferred pipeline is another indication that long-term self storage development interest remains weak.



Source: Yardi Matrix. Chart data reflects self storage markets covered on or before July 2023.

Abandoned

The monthly number of projects categorized as abandoned remains elevated. In September, the research team identified 46 abandoned properties, slightly below the trailing three-month average of 52 properties.



Source: Yardi Matrix

Bottom Line

The Q4 self storage supply forecast update has been increased for 2025 and 2026. A slightly larger-than-expected under-construction pipeline has driven a forecast increase of 4.3% to 59.44 million NRSF for 2025 and a 4.6% increase to 48.23 million NRSF for 2026.

However, the shape of the forecast has not changed. Matrix development pipeline data continues to show an overall deceleration in both near-term and long-term development interest. This was expected in previous forecasts; therefore, the remaining years are unchanged.

New supply delivered in recent years has put downward pressure on rates and occupancy, which has suppressed new-development interest. The forecast assumes construction starts and the under-construction pipeline continue to decline, driving decreases in new supply for 2026 and 2027.

Longer-term development interest also remains weak. Both the planned and prospective pipelines are contracting, while the number of deferred and abandoned projects remains well above cycle lows. As a result, the Q4 forecast update continues to assume new supply for the later years will decline on an annual basis to roughly 1.5% of existing stock.

September's positive year-over-year growth in advertised rental rates reduces forecast certainty. A return to sustained rate growth could potentially drive increased new-development interest. Should this prove to be the case, subsequent forecast updates will be revised higher.

As always, Yardi Matrix is extremely focused on accurately maintaining our development pipeline data and identifying any changes in self storage development activity.

—Ben Bruckner, Senior Research Analyst